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## NOTES AND MEMORANDA

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### PHILADELPHIA AND THE EMBARGO OF 1808

THE year of the embargo was critical in the economic history of the United States. During the great war in Europe, especially in the first phase from 1792 to the Peace of Amiens a decade later, America as the chief of neutrals had built up a carrying trade of vast proportions. The 1,000,000 or more tons of shipping engaged in this trade constituted an important interest for the nation, and one which was paramount for a state like Massachusetts owning as it did a third of the total.

Among the mercantile community, accordingly, the action of our government in replying to the Berlin and Milan Decrees and the Orders in Council of 1806 and 1807 which greatly hampered commerce, by an embargo which prohibited it wholly, was viewed with consternation.<sup>1</sup> And in proportion as the mercantile class dominated the economic life of their communities the embargo was execrated as the knell of American prosperity. As a result something of a tradition has grown up in American history as to the hard times produced by that "ill-judged" measure.

But if the embargo offered small comfort to commerce, it gave a wholly new impetus to manufactures. And herein lies the explanation of a sudden prosperity enjoyed by certain commercial cities at the very time when their sisters and rivals were most depressed. It was not that their shipping was less hit, but rather that their opportunities for a transfer of capital to manufactures were greater. This seems to have been especially true of the commercial cities of Pennsylvania

<sup>1</sup> This feeling was not, of course, universal. Thus William Gray of Salem, Mass., the greatest merchant of his day, heartily supported the embargo

and Maryland, doubtless in part because of the great demand for manufactured articles arising from the rapidly developing Trans-Allegheny region. Baltimore is an example of a commercial city suddenly enlarging the field of its interests. The Baltimore newspapers during the year of the embargo have numerous advertisements of and other references to rapidly expanding manufactures. But Philadelphia is a more conspicuous example of a commercial city — she had something like a twelfth of the shipping tonnage of the United States—able, in spite of the gloom among the purely mercantile elements, to develop a prosperity which was the wonder of the times.

Even the opposition press was obliged to concede a measure of prosperity. "The embargo," declares the *United States Gazette* of October 8, 1808, "has as yet produced *comparatively* little inconvenience in this city and its neighborhood. During the last winter, we began to suffer from the domiciliary visits of labourers, *in forma pauperis*, who could not find employment and were obliged to beg; but, generally, the stores, laid in by poor men before the embargo, were sufficient 'to keep want from their doors' until the spring opened; since when, the unexampled improvements in our city have given constant employment to eight or ten thousand of them."<sup>1</sup> Philadelphia was, in fact, thanks to manufactures and in spite of commerce, in the midst of a wholly unprecedented boom.

A rather playful explanation of this era of construction, involving the building of 1,000 new houses<sup>2</sup> at Philadelphia alone in the single year of the embargo, attributes it to the prosperity of the Philadelphia lawyers. To these virtuous citizens the embargo brought a blessing in disguise. The very act which restrained commerce multiplied marine law suits, and their effect upon the gentry of the bar is humorously described by Horace Binney, one of its own distinguished ornaments. "The stoppings, seizures, takings, sequestrations, condemnations, all of a novel kind, unlike anything that had

<sup>1</sup> United States Gazette, October 8, 1808

<sup>2</sup> Annals of Congress, vol. xix, pp 100-103.

previously occurred in the history of maritime commerce — the consequence of new principles of national law, introduced offensively or defensively by the belligerent powers — gave an unparalleled harvest to the bar of Philadelphia. No persons are bound to speak better of Bonaparte than the bar of this city. He was, it is true, a great buccaneer, and the British followed his example with great spirit and fidelity, but what distinguished him and his imitators from the pirates of former days was the felicitous manner in which he first, and they afterwards, resolved every piracy into some principle of the law of nations, newly discovered or made necessary by new events; thus covering or attempting to cover the stolen property by the veil of the law. Had he stolen it and called it a theft, not a single law suit could have grown out of it. The underwriters must have paid, and have been ruined at once and outright. But he stole from neutrals and called it lawful prize; and this led to such a crop of questions as nobody but Bonaparte was capable of sowing the seeds of. For while he did everything that was abominable, he always had a reason for it, and kept the world of the law enquiring how one of his acts and his reasons for it bore upon the policy of insurance, until some new event occurred to make all that they had previously settled of little or no application. In many instances the insurance companies got off; in others, tho they failed, it was after a protracted campaign in which, contrary to campaigns in general, they acquired strength to bear their defeat. In the mean time, both in victory and defeat, and very much the same in both events, the lawyers had their reward.”<sup>1</sup>

It is hardly necessary to remark that tho Philadelphia lawyers were reaping a harvest that has made their name a by-word for shrewdness and success, this could not represent a net gain to the community. The real expansion of Philadelphia lay in industrial enterprise, and progress in this direction appears to have more than compensated for losses commercial.

Manufactures were assuming an altogether fresh variety and significance. The Philadelphia *Price Current* devoted

to them an article which produced a local sensation, and which the editor at once forwarded to Jefferson "to prove that by the Presidents originating partial deprivations, he has ultimately bestowed on his country immense and imperishable benefits."<sup>1</sup>

The enclosure, which must have given keenest satisfaction to the harassed Jefferson, is not quoted here because of its length. But the long list of Philadelphia manufactures includes carpets, and calicoes, shawls, and bedspreads, earthenware in variety, glassware, soap, lead and shot, and a wide range of chemicals.

Files of the Philadelphia *Aurora* show that manufactures in iron, weavers' reeds, several kinds of cotton cloth, and Germantown products in stockings, socks, gloves, hosiery, and cotton and woolen yarn were all contributing to American self-sufficiency and to the enrichment of their entrepreneurs.

It is thus apparent that Philadelphia prosperity in 1808 was not a mere shifting of wealth from merchants to their lawyers, but a genuine progress, resting upon an active and diversified industrial basis. As Charles Jared Ingersoll summarized it, "Who that walks the streets of Philadelphia and sees, notwithstanding a twelve months stagnation of trade, several hundred substantial and elegant houses building, and the labouring community employed at good wages, who reads at every corner advertisements for workmen for factories of glass, of shot, of arms, of hosiery and coarse cloths, of pottery and many other goods and wares; who finds that within the last year rents have risen one-third, and that houses are hardly to be had at these prices; that land is worth, as Mr. Brougham observes, much more than it is in Middlesex; in a word, who perceives, wherever he goes, the bustle of industry and the smile of content; who, under such circumstances, that is not too stupid to perceive, and too prejudiced to believe when he does perceive, can doubt the solid capital of this country?"<sup>2</sup>

<sup>1</sup> Jeffersonian MSS., Library of Congress. Editor of Philadelphia Price Current to Jefferson, November 7, 1808.

<sup>2</sup> Charles Jared Ingersoll, *A View of the Rights and Wrongs, Power and Policy of the United States of America*, p. 49 (published 1808).

Nicholas Biddle, also, tho he has less to say about the embargo and its effects than one would expect from so important a man of affairs, confirms Ingersoll's estimate of Philadelphia prosperity. Writing to a friend in Paris, he says, "You would scarcely recognize Philadelphia, so much has it grown and improved. Among your former acquaintances, Cadwalader is always here and prospering. His wife has just presented him with a third child. Chauncey is making a fine fortune, and surely no one deserves it more than he. As for politics, our actual position is not the most agreeable. The embargo presses heavily on the people, but it has been put in execution without difficulty, and as the people is very sane, the session of Congress soon to meet will be peaceably awaited. In spite of this the embargo appears to have wrought some change in New England, where the elections have terminated in favor of the Federalists. There is even an appearance . . . that the Government of the United States will pass once more into the control of the Federalist Party, or at least that the embargo will be raised before very long. In all these matters I do not mingle. After my long absence, it is impossible to become a very zealous partisan, and I am occupying myself with my profession."<sup>1</sup>

Interesting testimony this is to the possibility of living in 1808 without worrying over the embargo, its wisdom, or its consequences, tho no Philadelphian could quite ignore the prosperity his own city was harvesting.

If confirmation of these estimates of Ingersoll and Biddle is needed, it is to be found in a communication of William Short, a friend of Jefferson, to the President. Short possessed a handsome fortune, and like Biddle, would have seen little to recommend in the embargo, had it proved as generally ruinous as its enemies alleged. He writes, "And this City (Philadelphia) has really acted as the government could wish on the subject of the embargo — I speak of those who are considered as of opposition politics & who are numerous — They frequently & publicly speak their determination to sup-

<sup>1</sup> Nicholas Biddle Papers, Library of Congress, vol. i, 1775-1809, Nicholas Biddle to M. de la Grange, September 26, 1808.

port it, & if on a jury to punish with rigor the violators of it. I have more than once heard it affirmed & not contradicted, that if the merchants of this City were assembled; confined to Federalists alone, nine out of ten would approve the embargo, & of the Tenth disapproving, most of them would be men without capital." <sup>1</sup>

In Philadelphia, as elsewhere, the ruin of powerful commercial interests brought a real and somewhat widespread distress. But in Philadelphia, much more than in many other localities subject to similar commercial losses, men found compensation, and frequently much more than compensation in the development of a large scale industrialism. On this basis was reared the superstructure of building operations which made Philadelphia the wonder of the times, and at least one great commercial city toward which Jefferson could point for the vindication of his system.

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<sup>1</sup> Jeffersonian MSS., Library of Congress Willam Short to Jefferson, August 27, 1808.